RHYTHM™ BIOSCIENCES

# Placement Issue Investor Presentation

19 NOVEMBER 2024

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# Executive Summary

## Overview

- Rhythm Biosciences is developing and commercialising novel clinical cancer diagnostics.
- ColoSTAT® is a 2nd generation multiplex assay designed to detect bowel cancer in a patient blood sample that is in the final stages of development ahead of commercialisation in 2025.

## Key Investment Highlights

- Accelerated market entry strategy into a multi $bn global market.
- RHY Cancer diagnostic solutions are clearly differentiated from competition: reduced invasiveness, ease of use, patient preferred and cost.

## Transformed Business

- Building on valuable Company learnings with new internal and external capabilities and enhanced commercial focus.
- Complete re-engineering of core assay technology delivers customer requirements.
- Pragmatic, quicker and lower risk path to market identified.

# Why Rhythm Biosciences?

Rhythm Biosciences is committed to saving lives through early detection of cancers using simple and accurate diagnostic technology.

Developing novel screening solutions for specific cancers via patient friendly blood tests is our primary focus.

Patent protected; fully characterised technology that can be readily adopted in all laboratories.

Targeting large global markets heavily supported by public and private health care systems.

Competitive product design that supplements and potentially improves current standard cancer testing methods used around the globe.

ColoSTAT®: A novel product with anticipated commercial launch in 2025.

# Corporate overview

## CORPORATE SNAPSHOT

| | |
|---|---|
| ASX Code | RHY |
| **Share Price (at 15 Nov 2024)** | **$0.115** |
| **Shares on Issue** | **248.5M** |
| **Unlisted Options** | **21M** |
| **Market Capitalisation** | **$28.58M** |
| Top 20 Shareholders | 42% |

## SHARE PRICE CHART - ASX:RHY


## BOARD AND MANAGEMENT

### David Atkins, PhD
Chief Executive Officer and Managing Director

Former CEO of Congenica (UK) & Synevo Diagnostics, Sr. Executive at Johnson & Johnson and Danaher.

Founder of Veridex – cancer molecular and cellular diagnostics (USA).

Significant experience in fund raising and VC investing. Currently adviser and board member for several private oncology businesses in UK and EU.

### Otto Buttula
Non-Executive Chairman

Extensive financial, investment, IT & biotech experience.

Co-Founder and CEO of IWL (ASX: IWL); Founder / former CEO of Investors Mutual.

Formerly a Director of Imugene (ASX:IMU), Chairman of Investorfirst, now HUB (ASX: HUB), HITIQ (ASX: HIQ) & Oncosil Medical (ASX: OSL).

### Sue MacLeman
Non-Executive Independent, Deputy Chair

30 years in Pharma, Biotech and Medtech including Amgen, BMS and Merck.

Experienced Board member, former CEO of NASDAQ, ASX, & AIM entities. Currently NED at Health Translation Group Ltd, Viral Vector Manufacturing Facility, Smartways Logistics, ATSE & OMICO & member of various government & academic advisory committees.

### Trevor Lockett, PhD
Non-Executive Director

Former Theme Leader Colorectal Cancer and Gut Health CSIRO.

Leader – Personalised Health Group CSIRO.

Inventor on seven commercially-licensed patent families.

### Lou Panaccio
Non-Executive Director

Chairman of Avita Medical (ASX: AVH) and Adherium Ltd (ASX:ADR).

Non-Executive Director Sonic Healthcare (ASX: SHL) and Unison Housing.

Former CEO Melbourne Pathology & Monash IVF.

# Our Clinical Advisory Board

## Sally Benton

Consultant Clinical Biochemist and Clinical Lead for Clinical and Specialist Biochemistry Services at Berkshire and Surrey Pathology Services, a pathology network that serves 6 acute hospitals. Sally is also Director of the Bowel Cancer Screening South England Hub based at the Royal Surrey County Hospital, Guildford, serving a total population of about 16 million people across the South of England.

## Prof Jon Emery

Herman Professor of Primary Care Cancer Research at the University of Melbourne, and the Victorian Comprehensive Cancer Centre (VCCC) Primary Care Research and Education Lead. He is a National Health and Medical Research Council (NHMRC) Leadership Fellow, and Director of the Cancer Australia Primary Care Collaborative Cancer Clinical Trials Group (PC4).

## Prof Finlay Macrae

Head of Colorectal Medicine and Genetics at The Royal Melbourne Hospital, he is a lead clinician in the Familial Cancer Clinic and is engaged in research into Colorectal Cancer genetics and new therapies for Inflammatory Bowel Disease (IBD).

He trained in London with the world's leading colonoscopist at the time (St Mark's Hospital) and brought this skill to Australia and his practice.

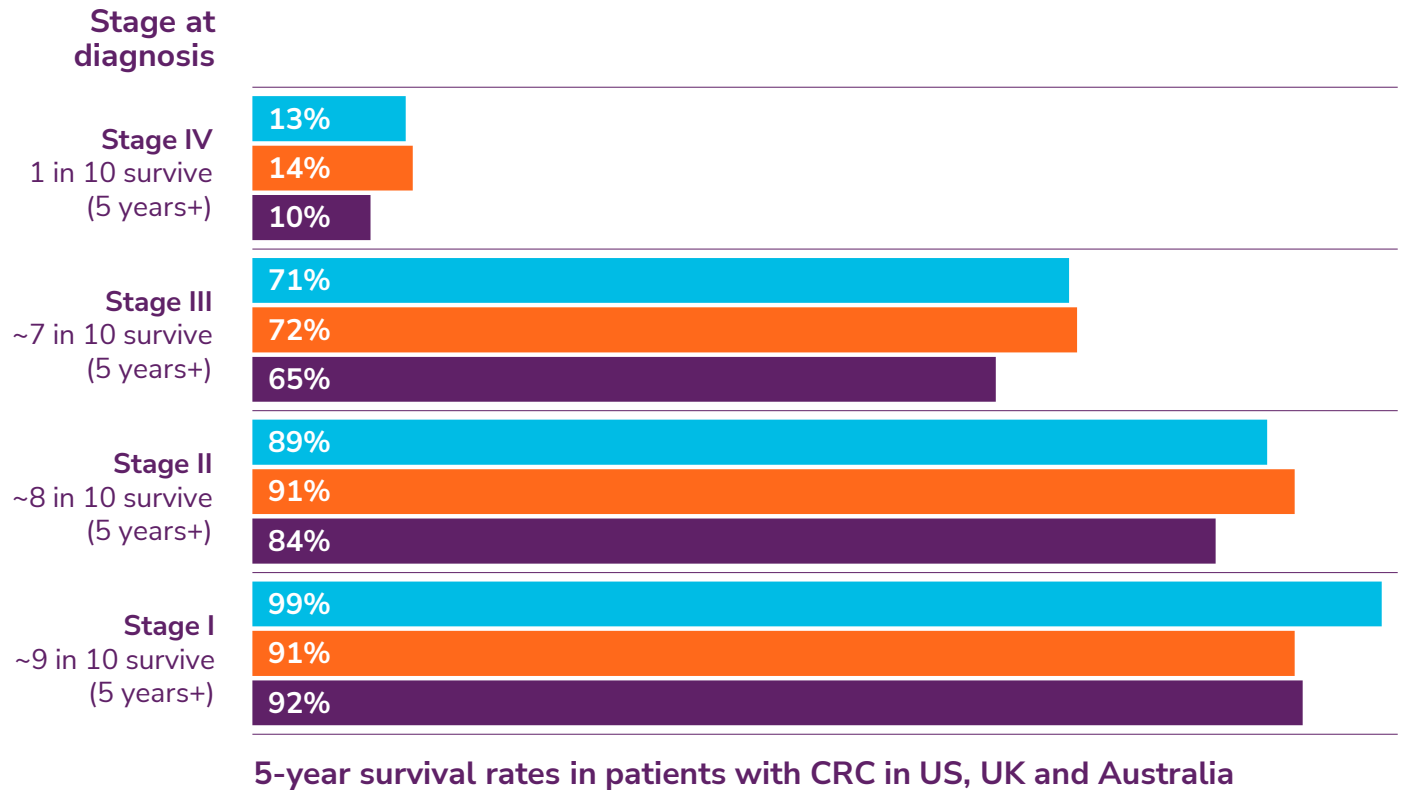
# When diagnosed early, CRC can be successfully treated

## Disease stage at diagnosis is the key predictor of survival in patients with CRC

### Diagnoses at Stage I or II only represent less than half of all CRCs diagnosed in:

| | Stage I | Stage II |
|---|---|---|
| AUSTRALIA | 22% | 23% |
| US | 37% | 37% |
| UK | 16% | 21% |

### Missed detection of early-stage CRC results in poor survival rates



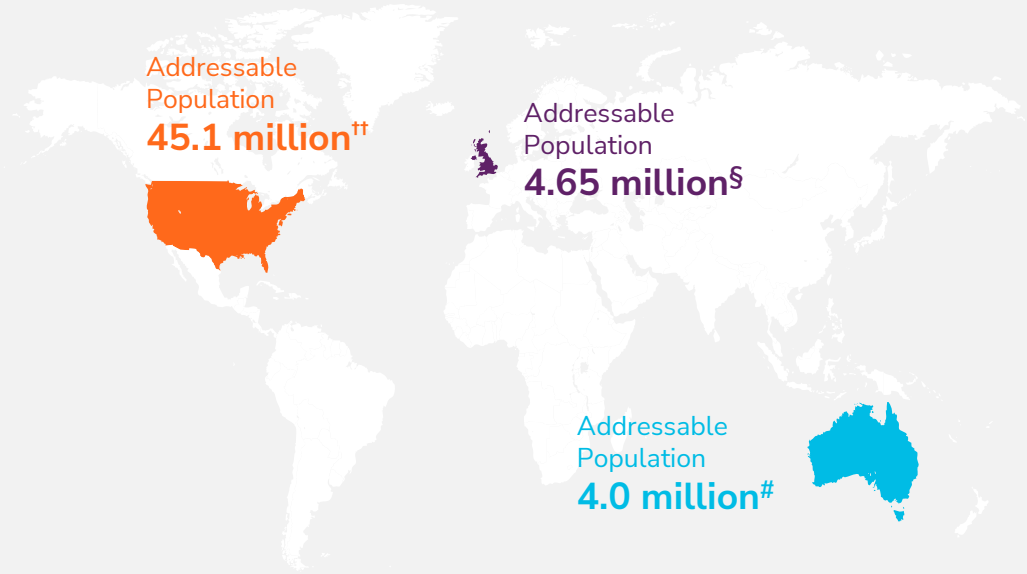

5-year survival rates in patients with CRC in US, UK and Australia

**Abbreviations**: CRC, colorectal cancer; US, united States
**References:** can be provided

# Participation in CRC screening programs needs improvement

Based on current participation rates to CRC screening, **33–56% of the eligible population** across Australia, Europe, UK and US **remains unscreened.**

Participation rates in CRC screening programmes in UK, US, Europe and Australia (2018/2019/2021).


As many as **53.7 million** eligible people across US, UK and Australia **remain unscreened** for CRC.

**Abbreviations**: CRC, colorectal cancer; FIT, faecal immunochemical test
† Percentage of adults aged ≥50 years who had colonoscopy in the past 10 years (2018 data).
‡Percentage of people aged 60—74 year screened for CRC with FIT in 2020/2021.
¥ Percentage of people screened for CRC with FIT in 12 European Union Member States in 2018.
§ Based on 2020 UK population aged 60—74 years of 10,57 million and on 33.2% of the eligible population not been screened for CRC (participation rate: 66.8%).
††Based on 2021 US population aged ≥50 years of 115.62 million and on 39.0% of the eligible population not been screened for CRC (participation rate: 61.0%).
‡‡Based on 2021 Australia population aged 50-74 years of 7.08 million and on 56.5% of the eligible population not been screened for CRC (participation rate: 43.5%).

# There are >250 million people who could benefit from an improved blood test

| MARKET | POPULATION | AGE – SCREENING POPULATION | SCREENING METHOD | SCREENING PARTICIPATION RATE | UNSCREENED POPULATION/ OPPORTUNITY | INCIDENCE OF CRC (cases per year) | % OF TOTAL ADDRESSABLE MARKETS |
|---|---|---|---|---|---|---|---|
| **Europe (EU-27)** | 746.4 m | 231.0 m (50 -74 yrs) | FIT, Colonoscopy¶ | 38% | **143.0m** | 341,419 | 62% |
| **UK (England, Scotland, Wales and Northern Ireland)** | 67.6 m | 10.6 m (60 -74 yrs) | FIT | 67% | **3.5m** | 52,128 | 33% |
| **USA** | 331.9 m | 161.5 m (45 – 75+ yrs) | FIT, Colonoscopy, Cologuard | 61% | **62.9m** | 153,020 | |
| **Japan** | 125.7 m | 60.2 m (> 40 yrs) | FIT | 20%¥ | **48.0m** | 148,505 | 80% |
| **South Africa** | 59.4 m | 9.3 m (50 -74 yrs) | FIT | NA | | 8,671** | |
| **Australia** | 25.7 m | 7.1 m (50 – 74yrs) | FIT | 43% | **4.0m** | 15,713 | 56% |
| **New Zealand** | 5.1 m | 1.1 m (60 -74 yrs) | FIT | 57%* | **0.5m** | > 3,000 | |
| **Total** | | **480.8m** | | | **262.1m** | | |

* Based on pilot project, recent data not available - https://www.health.govt.nz/our-work/preventative-health-wellness/screening/bowel-screening-pilot/bowel-screening-pilot-results
** https://journals.lww.com/ajg/Fulltext/2021/10001/S342_Evaluating_Trends_of_Colorectal_Cancer.342.aspx
¥ Needs further investigation
¶ Every 10 years
FIT; faecal immunochemical test, NA; not available

# First major clinical performance evaluation

## Prospective, multi-centre study to evaluate the clinical performance of the first generation ColoSTAT® for the detection of CRC[1]

### STUDY DESIGN

**Blood-based assay**

N= 989 patients, aged 40 to <85.

### PRIMARY ENDPOINT

The primary endpoint was to evaluate ColoSTAT® performance compared to gold standard, colonoscopy.

### RESULTS

**ColoSTAT® met the primary endpoint and showed a high-sensitivity blood test for CRC detection.**

**ColoSTAT® may provide an alternative test for people who cannot or will not take the FIT test.**

| Sensitivity[1] | 81% | Specificity[1] | 91% |
|---|---|---|---|

CRC; colorectal cancer, FIT; faecal immunochemical test

1. He et al DOI: 10.1200/JCO.2023.41.16_suppl.3529

# Second generation ColoSTAT® clinical assay:
## Standardised, simpler, faster turnaround time and lower cost

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**Five Plates to a Single Plate**
(Five reagents to a single kit)

**Reduced Cost**
Materials, Packaging and Transport

**Reduced Chance of Human Error**
Embraces Increased Automation and Efficiency

**Reduced Testing Time Required**

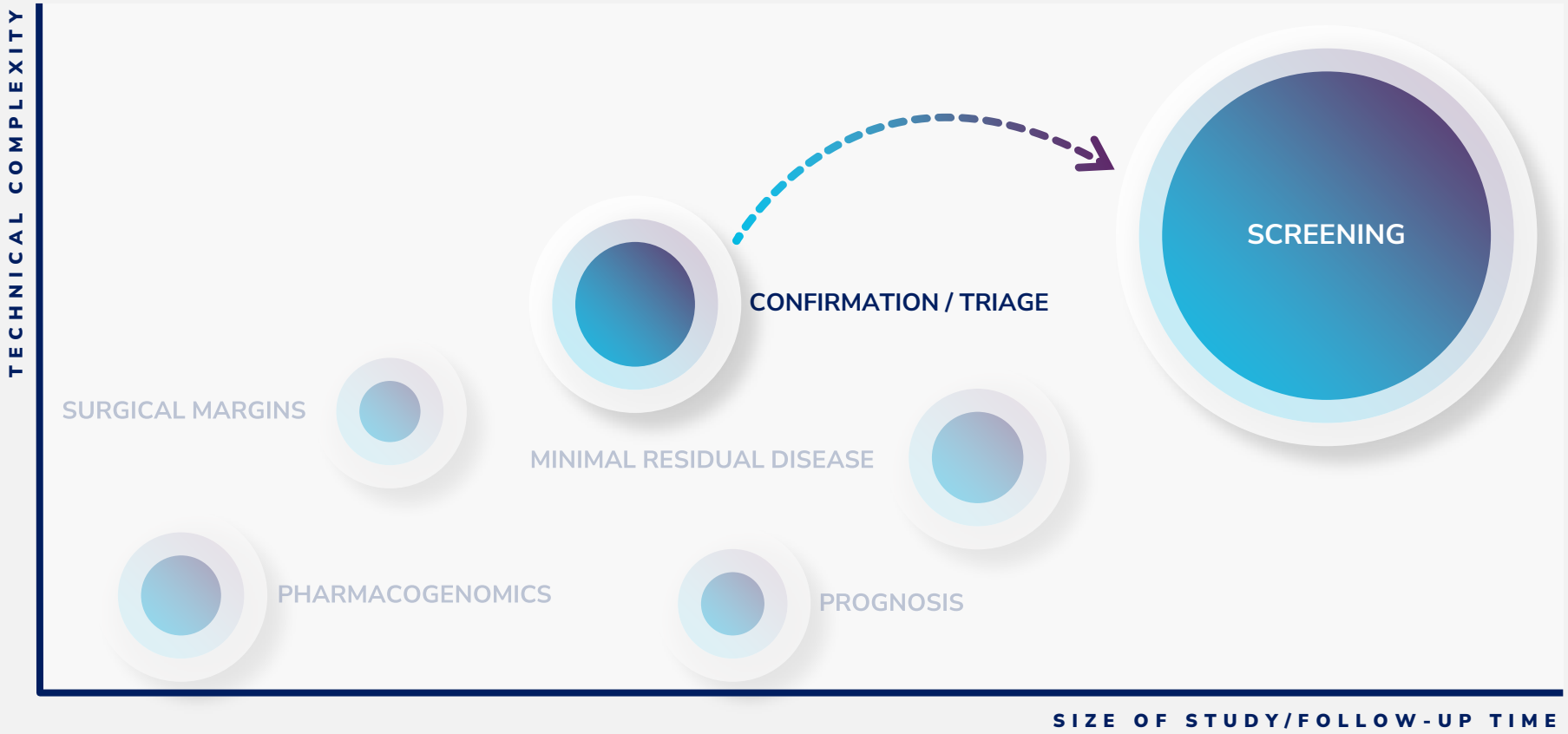
Laboratory customers prefer the design of the new ColoSTAT® assay design.

# General population screening for CRC remains the ultimate goal

Targeting “intermediate” applications represent valuable intermediate steps towards the end goal

## ‘*Intermediate*’ Means

- Higher prevalence of cancer.
- Greater flexibility around current standard of care (SoC).
- Clear economic benefit.
- An opportunity to insert the new assay into the current SoC.




Note: Size of circles and relative position is not quantitative, and positions are for the purpose of illustration

# Upcoming value inflection points

| ITEM | DESCRIPTION | ESTIMATED DELIVERY DATE |
|---|---|---|
| **Alpha Assay Ready** | Arrival of Alpha kits for testing | ☑ |
| **Beta Release Candidate** | Beta Kits ready for verification | 2H CY24 |
| **Kit Validation Ready** | Kit Verification completion, Production Kits Ready. | 1H CY25 |
| **Commercialisation** | Partner's In House IVD launch | 2H CY25 |

# Platform technology expansion pipeline

## Biomarker analysis complete in significant patient sample study for 3 major cancers

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**STAGE 1**
**INITIATION**
Opportunity and Risk Analysis

**STAGE 2**
**FORMULATION**
Concept and Feasibility

**STAGE 3**
**DESIGN & DEVELOPMENT**
Verification, Validation, & Clinical Trials

**STAGE 4**
**FINAL VALIDATION**
Opportunity and Risk Analysis

**STAGE 5**
Product Launch & Post-Launch Assessment

| STAGE 1 PROGRESSION | | THEORETICAL ANALYSIS OF BIOMARKER POTENTIAL | SERUM AND ALGORITHM ANALYSIS | RISK ANALYSIS → ENTER STAGE 2 |
|---|---|---|---|---|
| CANCER TYPE | COLLABORATOR | | | |
| **Breast** | Agilex Biolabs | | | |
| **Lung** | Baker Institute | | | |
| **Gastric** | Nexomics | | | |
| **Cervical** | ON HOLD | | | |
| **Pancreatic** | ON HOLD | | | |

**Lung cancer blood-based assays will be the next priority.**

# Placement Issue Offer

| Key details of the Offer | |
|---|---|
| **Placement Offer** | New Share Issue, plus<br>• 2 New Options (ASX: RHYO) for every 3 New Shares subscribed under the Offer; and<br>• Additional, new ASX Listed Options to purchase a Share with an exercise price of $0.20 and an Expiry Date of 31 March 2026 (subject to Shareholder Approval) |
| **Issue Price per New Share** | $0.10 or 10 cents per New Share payable in full on Application |
| **Maximum number of New Shares issued under the Offer** | 35,000,000 New Shares |
| **Maximum proceeds from the Offer (excluding costs associated with the Offer)** | $3.5 million (before expenses and costs of the issue) |
| **Maximum number of Shares on issue following the Offer (refer to Section 3 below)** | 289,596,750 Shares |

# Use of Funds

| Use of funds | |
|---|---|
| **Progress Product Development – 2nd Generation ColoSTAT®.**<br>*Complete development and production of ColoSTAT ® Multiplex test kits in conjunction with product development partner in North America.* | **Up to $0.70m** |
| **Clinical Validation Program and preparation regulatory approvals.**<br>*Clinical validation activities, including serum sample collection across sites and laboratory testing. Development of strategy and materials for regulatory agency submission.* | **Up to $1.20m** |
| **Continued R&D pipeline development activities into other cancers**<br>*Further funds allocated to R&D in progressing studies into other cancers.* | **Up to $0.25m** |
| **General Working Capital and capital raising costs**<br>*Day to day working capital requirements and capital raising costs for the Offer* | **Up to $1.35m** |
| **Maximum funds raised under the Offer** | **Up to $3.5m** |

# Indicative Timetable of the Offer

| Event | |
|---|---|
| Prospectus Date | Tuesday, 19 November 2024 |
| Closing Date | Tuesday, 19 November 2024 |
| Issue of the New Shares | Wednesday, 27 November 2024 |
| Trading (T+2) of New Shares expected to commence | Friday, 29 November 2024 |
| Issue of the New Options (subject to Shareholder Approval) | January – February 2025 |
| Trading (T+2) of New Options expected to commence (subject to Shareholder Approval) | January – February 2025 |

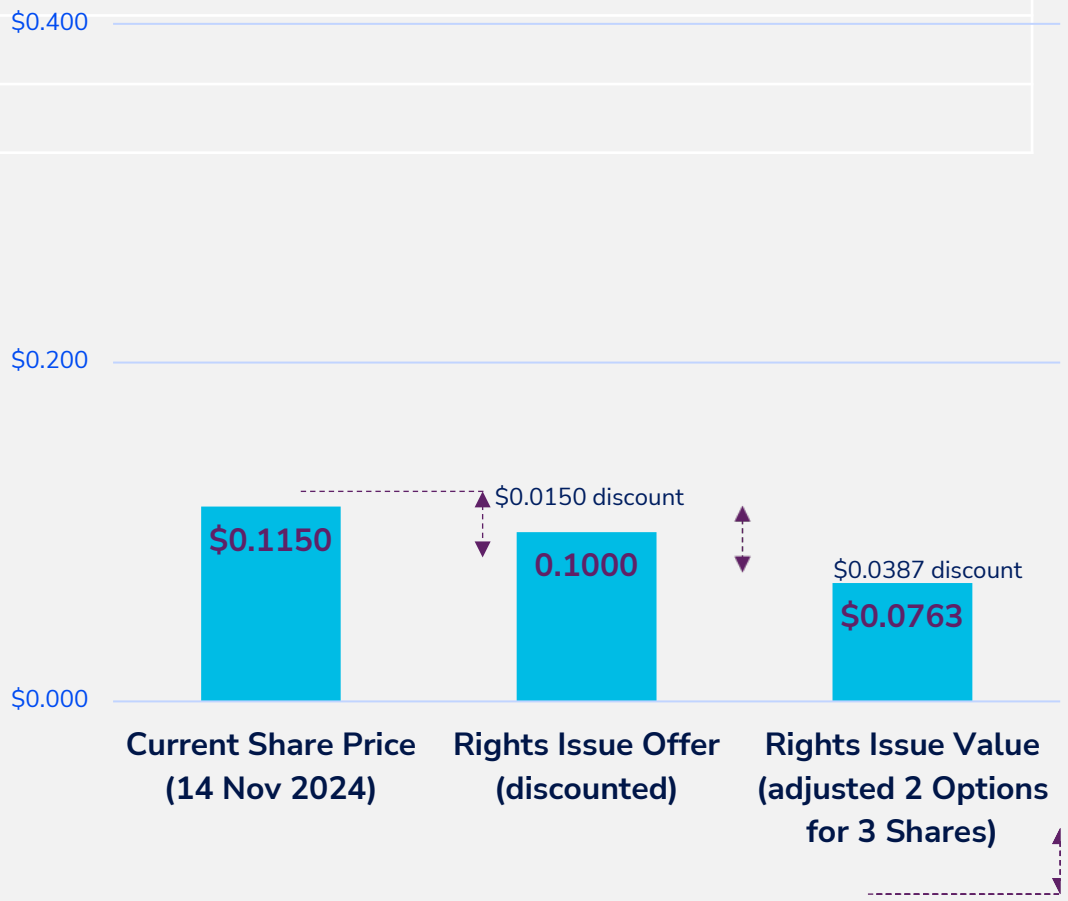
* The above dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the Closing Date or to withdraw the Offer at any time without prior notice, in which case all Application Monies will be refunded (without interest) as soon as practicable. Any extension of the Closing Date will have a consequential effect on the issue date of New Shares. All dates and times are references to Melbourne, Australia time.

# Theoretical Value of Options

| Placement Issue Offer Discount | |
|---|---|
| Current share price (at 14 November 2024) | $0.1150 |
| Rights Issue offer | $0.1000 |
| Discount | 13.0% |

| Discount vs Volume Weighted Average (VWAP) Share Price (ASX) | |
|---|---|
| 5-day VWAP - discount 19.5% # | $0.1224 |
| 15-day VWAP - discount 11.4% # | $0.1256 |

| Theoretical Offer of Options* / Effective Entry Price | |
|---|---|
| Theoretical Value of Option (31 Mar 2026) | $0.0355 |
| Theoretical Value of Option Adjusted ~ | $0.0237 |
| Rights Issue Offer | $0.1000 |
| Theoretical New Issue Price (deducting Value of the Option, per New Share subscribed for) | **$0.0763** |




# Volume Weighted Average Price (VWAP) using ASX prices only to 14 November 2024..
~ Adjusted Option Value as 2 Options for 3 Shares. Source: RHY & Black & Scholes Model.

# Conclusion

| | |
|---|---|
| **Overview** | Final stages of developing a potential “blockbuster” diagnostic product targeting a multi-$billion global market. |
| **Key Investment Highlights** | An attractive and comparatively simple investment proposition / business model. |
| **Transformed Business** | A business with huge potential that has gone through a significant and productive business transformation. |